

The Benefits of Republican Fiscal Policies



On January 3, President Bush announced his plans to balance the budget by 2012 while making tax cuts permanent. He pointed to the success Republicans have already had in reducing the deficit, crediting Republican tax relief initiatives with producing “robust economic growth and record revenues.” Specifically, the President emphasized that a balanced budget is possible without raising taxes.

Senate Republican Conference Chairman Jon Kyl issued the following statement in support of balancing the budget while preventing tax increases:

“I applaud President Bush’s commitment to balancing the budget while preventing tax increases. Tax relief supported by the President and Senate Republicans has fueled economic growth and increased tax revenues. We have cut the deficit significantly by keeping taxes low and limiting federal spending. Republican fiscal policies are benefiting working families, and we are committed to keeping the tax burden on families as low as possible. I also strongly support the President’s call for a line-item veto and earmark reform in order to help eliminate wasteful federal spending. I look forward to working with the President and my Senate colleagues to enact these spending reforms, extend tax relief, and continue reducing the deficit.”

Prepared by the Senate Republican Conference
Jon Kyl-Chairman, John Cornyn-Vice Chairman



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Significant Deficit Reductions: The budget deficit has already been reduced to half the amount that was projected in FY2004.

Significant Economic Growth: The nation has experienced 39 straight months of job growth, creating approximately 7 million new jobs for Americans; 14 straight months of unemployment rates below 5 percent—less than averages in the 1970s, 1980s, and 1990s; and labor productivity that has increased at an annual rate of 3 percent over the past five years.

Increased Government Revenues: Tax receipts in FY2005 were 14.6 percent higher than the previous year, and, at \$2.153 trillion, were the largest in history. FY2006 revenues were \$2.407 trillion, 11.8 percent higher than those in FY2005. Tax receipts in FY2007 have already grown 9 percent.

The Benefits of Republican Tax Relief Initiatives

- 111 million taxpayers have seen their taxes decline by an average of \$1,877.
- More than five million taxpayers have had their income tax liability eliminated.
- 44 million families with children have received an average tax cut of \$2,493.
- 25 million small business owners have saved an average of \$3,641.

The Cost of Eliminating Republican Tax Relief

- 115 million taxpayers would see their tax bill increase by \$1,716 each year.
- 48 million married couples would see their tax bill increase by \$2,726 each year.
- 42 million families with children would see their tax bill increase by \$2,084 each year.
- 17 million seniors would see their tax bill increase by \$2,034 each year.
- 26 million small business owners would see their tax bill increase by \$3,637 each year.

Source: U.S. Department of the Treasury